IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE SECOND DAY OF AUGUST
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE DR JUSTICE G.YETHIRAJULU

-

WRIT PETITION NO : 13352 of 2004

Between:

M/s.K.L.Reddy & M.V.Reddy, Vidyanagar, Rajahmundry,
East Godavari District rep., by its Managing Partner, K.Latcha Reddy

..... PETITIONER

AND

1 The Chief Engineer (R&B), Roads, Erramanzil, Hyderabad.
2 The Superintending Engineer, R&B Circle, Seetammadhara, Visakhapatnam.
3 The Pay & Accounts Officer, Y.R.C.Wing, Maharanipet, Visakhapatnam-1.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue an appropriate writ, order or direction more particularly one in the nature of writ of mandamus declaring the action of the respondents in recovering the seigniorage fee on ordinary earth from the work bills of the petitioner in respect of Agreement C.R.No.23/99-2000 entered into with the 2nd respondent, as illegal, arbitrary and without authority of law and consequently direct the respondents not to recover the Seigniorage Fee on ordinary earth from the bill of the petitioner under the above said agreement.

Counsel for the Petitioner :MR.N.SIVA REDDY

Counsel for the Respondent Nos.1 to 3: GP FOR ROADS & BUILDINGS

The Court at the admission stage made the following :

ORDER:

The petitioner approached this Court questioning the proposal of the respondents-1 and 2 for collecting seigniorage charges for ordinary earth from the work bills of the petitioner in respect of an agreement covered by C.R.No.23/99/2000 entered into with the second respondent.

The learned counsel for the petitioner placed a copy of the judgment of the Division Bench of this Court in W.P.No.9993 of 2004 wherein the Division Bench passed the following order:

"Following the said view we allow the writ petition directing the respondents not to collect any seigniorage charges from the petitioner for digging ordinary earth in respect of execution of contract work covered under the agreement. No costs. However, we make it clear that if the tax is included in the estimate on the earth work component, it can be deducted as per G.O.Ms. No.23 dated 05.03.1999."

In view of the above said order of the Division Bench of this Court, the writ petition is disposed of, directing the respondents not to collect the seignorage charges on the ordinary earth, if there is no specific reference in terms of agreement entered into between the parties and if the said seignorage charges are not taken into account while assessing the cost of the work entrusted to the bill.

The Writ petition is accordingly disposed of at the stage of admission. No order as to costs.

Dr. G. YETHIRAJULU, J

Date : AUGUST 02, 2004.

YS

ASSISTANT REGISTRAR

// TRUE COPY //

SECTION OFFICER

To

1 The Chief Engineer (R&B), Roads, Erramanzil, Hyderabad.
2 The Superintending Engineer, R&B Circle, Seetammadhara, Visakhapatnam.
3 The Pay & Accounts Officer, Y.R.C.Wing, Maharanipet, Visakhapatnam-1.

4 Two CCs to the Government Pleader for Roads & Buildings,

High Court Buildings, Hyderabad (OUT)

5 Two C.D. Copies.